

CORPORATE STRUCTURE OF BANK: AN OVERVIEW

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ABSTRACT

The term Banque is derived from the French word "Banco" which means bank or exchange desk. In the past, money lenders or money changers in Europe displayed (displayed) coins from divergent countries in large piles (quantities) on benches or tables for the purpose of lending or exchanging. A bank is an authorized financial institution that accepts cheque, savings deposits and makes loans to customers. A bank branch is the physical location of a banking company, such as Chase, Bank of America, or Wells Fargo. These buildings are technically called "brick and mortar" branches and provide direct service to the bank's customers. Branches often include mortgage agents, financial advisors, and other professionals that modern online banking cannot currently provide. Corporate governance is the system for managing and controlling the company. Boards of Directors are responsible for the corporate governance. The role of shareholders in corporate governance is to appoint directors, corporate auditors and establish an appropriate corporate governance system. Key functions include deposit receipt, lending advance, cash, credit, overdraft and bill discounting. Secondary functions include issuing letters of credit, safekeeping of valuables, issuing consumer credits, student loans, and more.

Keywords: *Banking, Branch System, Banking Structure, Corporate Governance, Branch Manager, Assistant Manager, Branch Operation Manager (BOM), Head Teller, Teller 1, Teller 2, Relationship Manager, Benefits of Branch System, Punjab National Bank and Local Branch Network of PNB India.*

Introduction

The term Banque is derived from the French word "Banco" which means bank or exchange desk. In the past, money lenders or money changers in Europe displayed (displayed) coins from divergent countries in large piles (quantities) on benches or tables for the purpose of lending or exchanging. A bank is an authorized financial institution that accepts cheque, savings deposits and makes loans to customers. A bank branch is the physical location of a banking company, such as Chase, Bank of America, or Wells Fargo. These buildings are technically called "brick and mortar" branches and provide direct service to the bank's customers. Branches often include mortgage agents, financial advisors, and other professionals that modern online banking cannot currently provide. Corporate governance is the system for managing and controlling the company. Boards of Directors are responsible for the corporate governance. The role of shareholders in corporate governance is to appoint directors, corporate auditors and establish an appropriate corporate governance system. Key functions include deposit receipt, lending advance, cash, credit, overdraft and bill discounting. Secondary functions include issuing letters of credit, safekeeping of valuables, issuing consumer credits, student loans, and more.

Explanation of the Article

There are many types of banks, such as retail banks, commercial, banks, and investment banks. In the United States, banks are regulated by national and state governments. A bank is a financial institution authorized to accept deposits and make loans. There are different types of banks such as retail banks, commercial banks, and investment banks. In most countries, banks are regulated by central governments or central banks. Banks have existed since at least the 14th century.

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They provide consumers and business owners a safe Place to store cash and a source of credit for personal purchases and business ventures. Banks use the cash deposited to make loans and charge interest. Branch banking is the operation of retail outlets outside an institution's headquarters for the benefit of its customers. Since the 1980s, US branch banking has undergone major changes to accommodate a more competitive and integrated financial services market. One of the most significant changes is that since 1999 banks have been able to sell investment products, insurance products and Banking services under one roof.

The term bank comes from the French word banco, which means bank or exchange office. In the past, European money lenders and money changers displayed coins of various countries on benches and tables in large piles (crowds) for lending and bartering. A bank is a financial institution authorized to accept cheques and deposits and to provide credit to its customers.

A bank branch is the physical location of a banking company such as Chase, Bank of America, or Wells Fargo. Professionally called "brick and mortar" branches, these buildings provide a personal service to the bank's customers.

The branch usually has a Mortgage Officer, Financial Advisors, and other professionals that are currently not available in Online Banking. Corporate governance is the system for managing and controlling an enterprise. The boards of directors are responsible for the Management of company. The shareholder's role in the company's governance is to appoint directors and auditors and to ensure that an appropriate corporate governance structure is in place.

Its main functions include accepting deposits, loans, Payments, cash, credit, overdrafts and discounting bills of exchange. Secondary functions include issuing letters of credit, storing valuables, providing consumer credit, and providing Student loans: Banks also offer related services such as Individual Retirement A/C (IRAs), Certificates of Deposits (CDs), Currency Exchange and Safe Deposit Boxes. Corporate governance is the system for managing and controlling an enterprise.

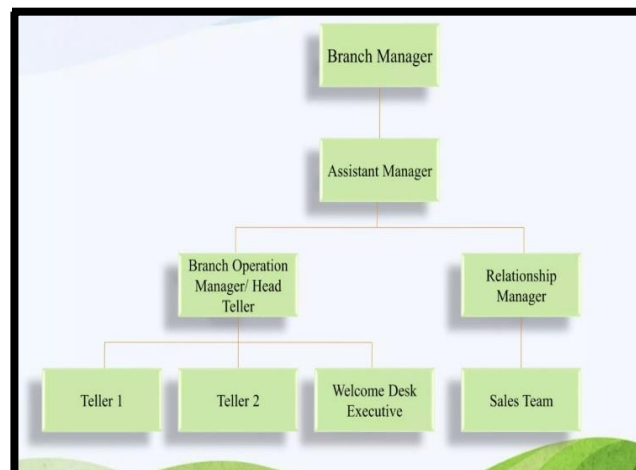
The responsibilities of the board of directors include setting the strategic goals of the company, directing them to achieve the goals, overseeing the management of the company, and communicating their management to the shareholder. Corporate governance is therefore what a company's board of directors does and how it defines a company's values, and it should be distinguished from operations.

The corporate governance literature in a broader sense covers a wide range of issues such as protecting shareholder rights, enhancing shareholder value, including board composition, governance, disclosure requirements, integrity of accounting practices, control systems, especially internal control systems.

Corporate governance, particularly in both urban and rural, have recently encountered serious issues. These problems include poor management, financial irregularities, poor investment decisions, and a growing gap between members and their cooperative societies.

Corporate Structure of Bank Branch

Bank Branches often include mortgage agents, financial advisors, and other professionals that modern online banking cannot currently provide.



Bank branches usually include a team of tellers who can help the individuals in withdrawals, depositing cash and more.

Branch Manager

A bank branch manager is a professional who works in a financial institution and is primarily involved in raising capital for businesses, governments or other institutions. A bank branch manager is needed to help organize, manage credit details, finance, and personnel and help the organization to grow. Bank branch managers are trained with the ability to save time and money by identifying risks in a particular project before the business moves forward. They are qualified as experts who capture the pulse of the current banking and financial environment. Most organizations seek the help of bank branch managers for advice on how to best plan funding and distribution

Assistant Manager

Branch deputy Managers are the right-hand man of the branch manager. They help to manage day-to-day operations and keep the branch running smoothly. They may also be responsible for managing supplier relationships, handling customer service issues and other tasks related to the smooth running of the business. Branch VPs often have a lot of responsibility on their shoulders - they're more than just assistants because they love to go get coffee! They must be able to think critically and make decisions independently in order to do their jobs effectively.

Bank Probationary Officer

Bank PO is a position on the staff of the banking industry. PO or Trainee Officer is a candidate position that is directly recruited to the position of Officer at major banks across the country.

Such person will be responsible for administrative duties such as supervising branch office staff. A bank order will also need to manage cash-flow, loans, financing and mortgages.

Head Teller/BOP (Branch Operations Manager)

The branch operations manager is responsible for the general operation of the branch; from ensuring sales goals are met to overseeing everyone providing outstanding customer service. Branch operations managers also ensure that the branch has all the tools and infrastructure needed to stay afloat.

Teller 1

The Teller I Serve customers by performing account transactions. Provide account services to customers by accepting deposits and repaying loans, cashing checks, withdrawing savings, and recording overnight and mail-in deposits. Sell cashier's checks, travelers checks and e-series bonds.

Teller 2

The Teller II handles many common financial transactions, including cash transfers by check, withdrawals, deposits, and debt repayments. Record all transactions and prepare daily cash payments to cashier and verify transactions according to branch procedures

Relationship Manager

Relationship manager responsibilities include finding new business opportunities, providing sound advice to clients, guiding their selection, Resolving complaints promptly and ensuring the guest satisfaction.

Sales Manager and Team

Sales managers in a bank are responsible for selling banking products to their retail customers. They may be involved in the sale of Credit Cards, Banc assurance (bank-provided insurance), CASA (Current Account, Savings Account) etc.

Bank Clerk

Bankers support day-to-day banking operations through both face-to-face customer interactions and behind-the-scenes tasks such as data entry. While many bankers work primarily as bank tellers and provide customer service, other bankers work in the credit and securities department and provide support to banks. This specific activity role is critical to the branch's function, as bankers tend to be the first (and perhaps only) banker to come into contact with customers. In addition, bankers maintain important customer and financial records to ensure that the bank branch remains operationally efficient and in compliance with financial reporting and management laws and guidelines.

Benefits of Bank Branch System

- **Large Economic Scale**

Operating under the branch banking system, the bank has a few branches with abundant financial resources and the advantage of large scale of operation. Highly qualified and experienced staff are appointed, increasing management efficiency. Division of labor was introduced into banking operations, ensuring higher economics in banking operations. Assigning the right jobs to the right people increase specialization and enhance public confidence in the banking system.

- **Risk Allocation**

Another advantage of the branch banking system is in its lower risk and higher ability to deal with risks. Because of the geographical distribution and diversification of risk, bank failure is far from over. The profits of other affiliates can offset the losses of some branches. The substantial resources of bank branches increase their ability to respond to any crisis.

- **Economics of Cash Reserves**

Under branch banking, a particular branch can operate without holding large amounts of idle reserves. If necessary, resources can be moved from branch to branch.

- **Diversification of Deposits and Assets**

There is greater diversification of deposits and assets within the branch banking system due to its wider geographical reach.

Deposits are received from areas with a lot of savings and loans are made in areas where money is scarce and interest rates are high which increase the safety and liquidity of the funds.

- **Risk Decentralization**

In white banking, branches are not concentrated in one location or one industry.

Easy and Economical Money Transfer

In a branch banking environment, it is easier and more economical to transfer money from one branch to another.

- **Cheap Means of Money Transfer**

Since bank branches are spread across the country, it is easier and cheaper to transfer money from one place to another. Inter-agency debt is easier to regulate than interbank debt.

- **Uniform Interest Rate**

In the branch banking system, capital mobility increases, which leads to equality in interest rates. Capital is moved from where there is a high demand for money to the areas where there is a low demand of money. Accordingly, uniform interest rates are applied throughout the region; it is prevented from rising in the region of excess demand and from falling in the region of lack of demand.

- **Reasonable Use of Capital**

If a branch has excess reserves but no investment opportunities, it can shift these resources to other branches so that it can make the most of those resources.

- **Better Facilities for Customers**

Customers enjoy better facilities in the branch banking system. Small number of customers per branch and increased efficiency achieved through large scale operations as a result of small number of customers per branch.



Punjab National Bank (hereinafter referred to as PNB) is one of the leading banks in India and offers wide range of banking services including corporate and personal banking, industrial finance, agricultural finance industry, international trade and

Banking. Among the Bank's clients are Indian corporations, small and medium industrial units, exporters, non-resident Indians and multinational corporations.

Punjab National Bank was established in 1895. From humble beginnings over a hundred years ago, this bank has grown to become one of the leading banking institutions in India. PNB is the second largest PSU bank in India with a presence mainly in North India.

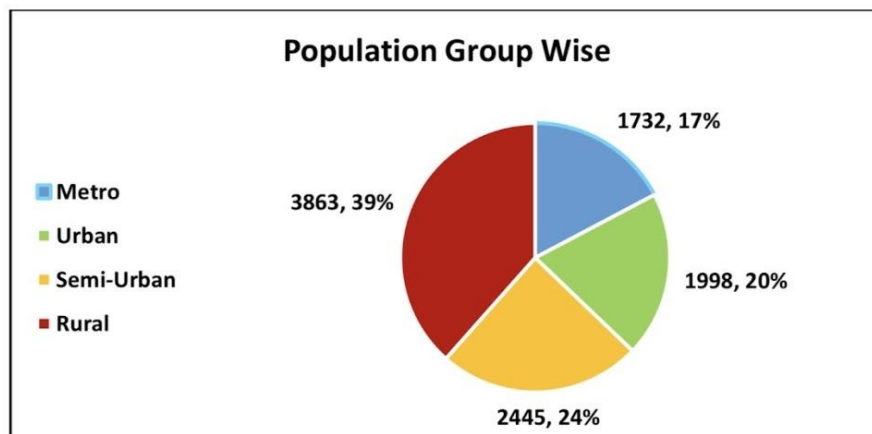
The Board of Directors

Position	Directors	Appointment Date	Resignation Date
Chairman	Atul Kumar Goel	15.03.2022	
Chairman	CH. S. S. Mallikarjuna Rao	31.01.2020	31.01.2022
Managing Director	Rajeeva	07.05.2019	
Executive Director	Vasudevan Mundokulam	31.05.2019	
General Manager Non-Executive Director	Vibha Aren	06.08.2020	
Independent Non-Executive Director	Sundeep Bhandari	31.07.2018	
Independent Non-Executive Director	Adrian John Stirrup	30.04.2019	

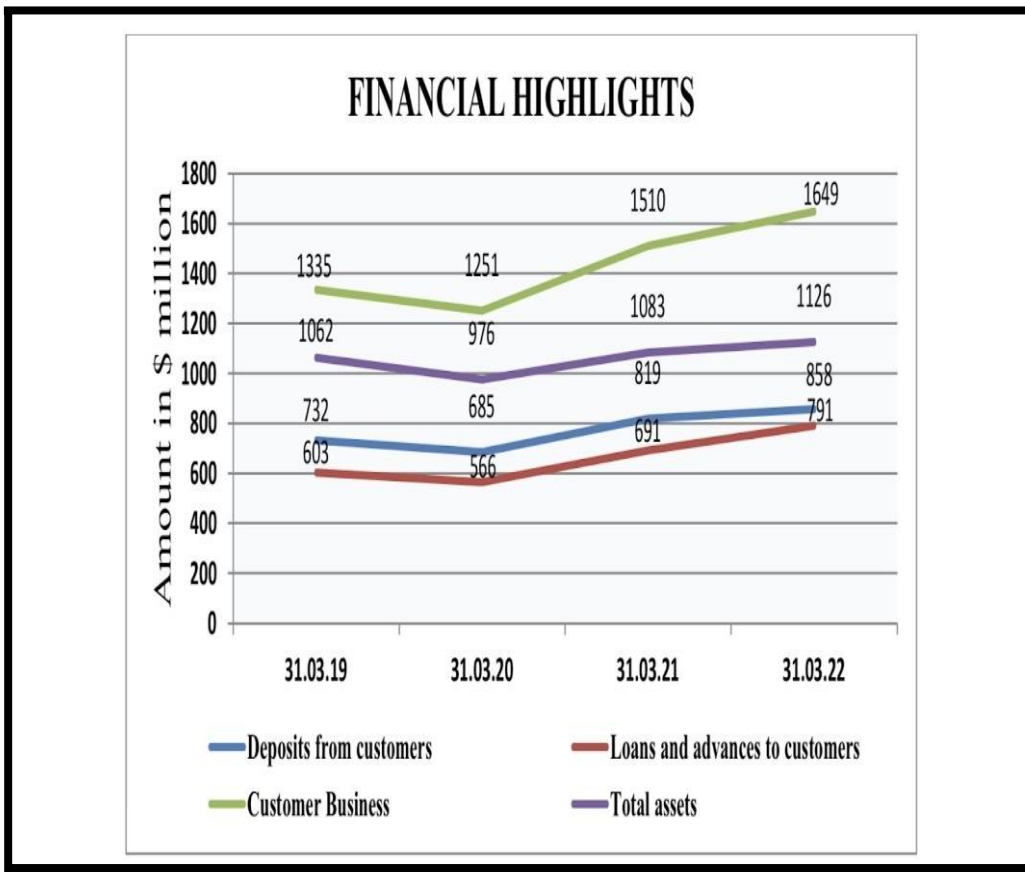
In order to adapt to changing times and provide its customers with a more efficient and faster service, the Bank has undertaken a significant initiative in the area of computerization. All Bank branches have been computerized. The Bank has also actively launched the concept of 'Anywhere, Anytime Banking' through the introduction of Centralized Banking Solutions (CBS) and more than 2000 offices have been placed under its umbrella.

Punjab National Bank (PNB), India's first Swadeshi Bank, commenced its operations on 12 April 1895 from Lahore, with authorized capital of Rs. 2 Lakh and working capital of Rs. 20,000. The first wholly Indian bank with Indian capital. In the long history of the Bank, 9 banks have been merged with PNB.

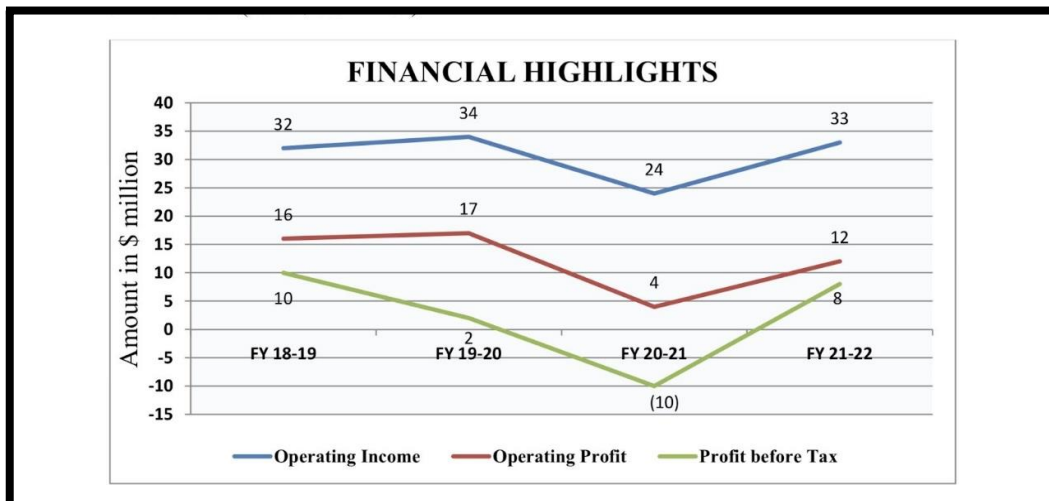
Local Branch Network



At the end of September 2022, the Bank has a total of 43,451 distribution channels with a network of 10,038 domestic branches, 2 international branches, 12,966 ATMs and 20,447 commercial agents. The breakdown by population is given as follows:

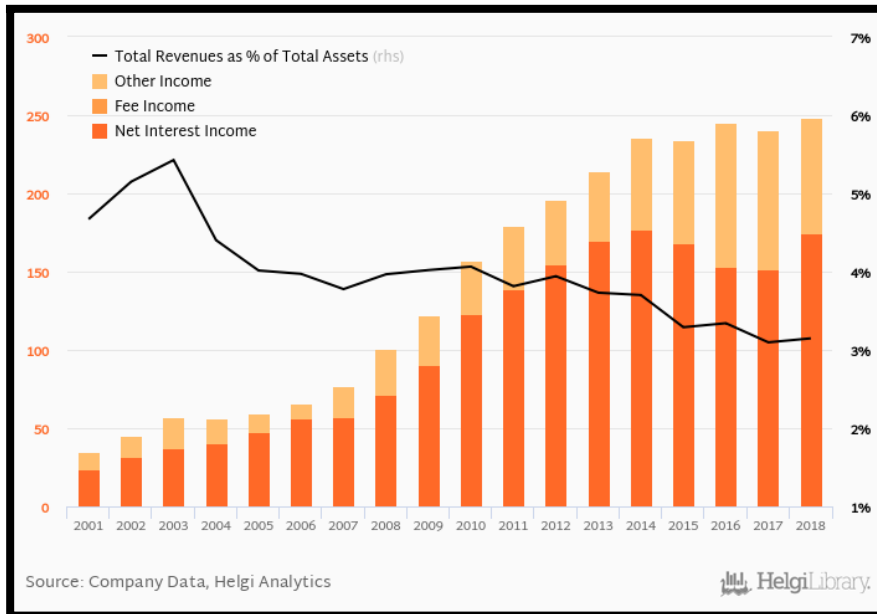
Key Financial Highlights

At 31 March 2022, PNBIL had total assets of \$1,126 million. At 31st March 2021, PNBIL had total assets of \$1,083 million). During the year, total net advances to customers increased to \$791 million (2021: \$691 million). In line with the growth in advances, customer deposits also increased to \$858 million (2021: \$819 million).



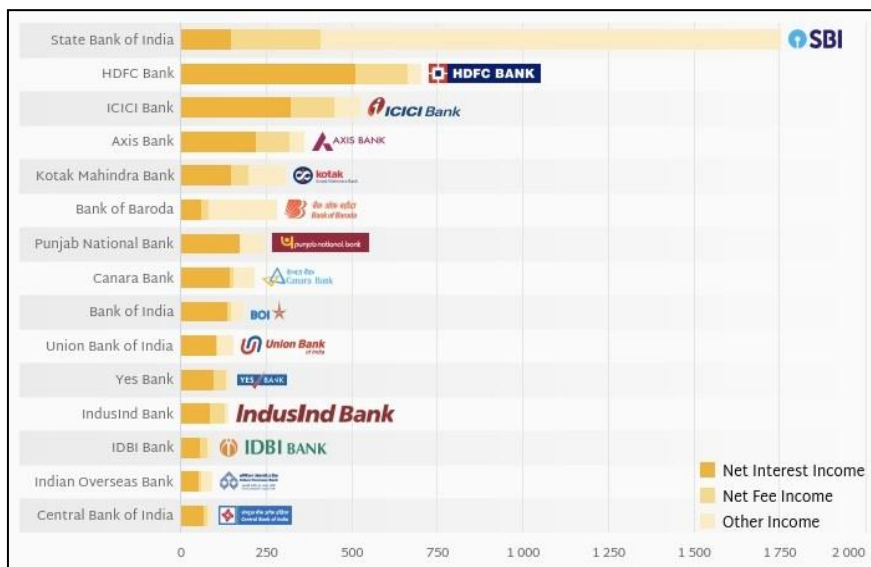
Pre-tax profit for the year ended March 31, 2022 was \$7.86 million (in 2021: pre-tax loss was \$9.95 million). Operating profit (earnings before depreciation and taxes) for the year ended March 31, 2022 increased to \$12.29 million (in 2021: \$3.77 million). The significant increase in operating profit was mainly due to the increase in net interest income along with the increase in advances.

Punjab National Bank generated total banking revenue of INR 248 billion in 2018, up 3.18% from the previous year. Historically, the bank's earnings comprising interest, fees and other non-interest income reached an all-time high of INR 248 billion in 2018 and an all-time low of INR 34.7 billion in 2001. The average return for the last five years was INR 241 billion.



Net interest income accounted for 70.4% of total revenues, fee income contributed 0% and other non-interest income added an additional 29.6% to total revenue generation in 2018.

Based on a comparison of 26 banks in India in 2018, State Bank of India generated the highest revenue, followed by HDFC Bank and ICICI Bank.



State Bank of India reported total revenue of INR 1,755 billion, up 15.6% year-on-year. Historically, bank income including interest, fees and other non-interest income hit a record high of INR 1,755 billion in 2018, down from INR 1,460 billion in 2001 to INR 1,460 billion. It hit an all-time low of 100 million Indian rupees.

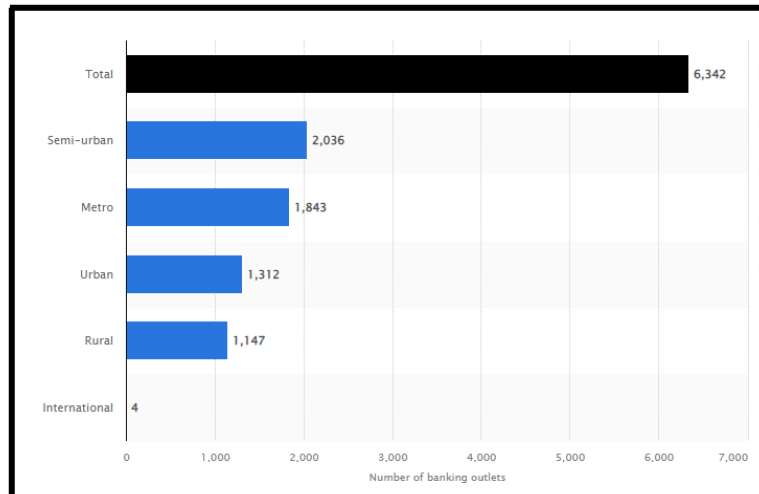


HDFC Bank Limited (also known as **HDB**) is an Indian banking and financial services company headquartered in Mumbai. It is India's largest private sector bank by assets and world's 10th largest bank by market capitalization as of April 2021. It is the third largest company by market capitalization of \$127.16 billion on the Indian stock exchanges. It is also the fifteenth largest employer in India with nearly 150,000 employees. The Composition of the Board of Directors of the Bank is governed by the provisions of the Companies Act, 2013, the Banking Regulation Act, 1949, applicable regulations, guidelines, circulars issued by the Reserve Bank of India, and the listing requirements of the Indian Stock Exchanges where the securities issued by the Bank are listed. The composition of the Board is as follows:

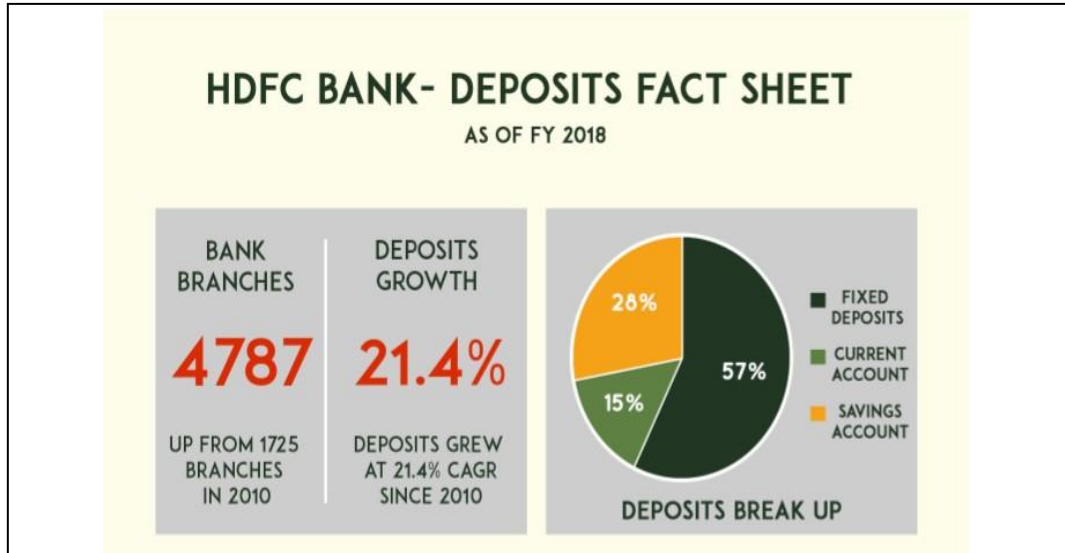
Sr. No.	Name of Director	Designation
1	Mr. Atanu Chakraborty	Part-Time Chairman and Independent Director
2	Mr. Malay Patel	Independent Director
3	Mr. Umesh Chandra Sarangi	Independent Director
4	Mrs. Renu Karnad	Non-Executive Director
5	Mr. Sanjiv Sachar	Independent Director
6	Mr. Sandeep Parekh	Independent Director
7	Mr. MD Ranganath	Independent Director
8	Dr. (Mrs). Sunita Maheshwari	Independent Director
9	Mrs. Lily Vadera	Independent Director
10	Mr. Sashidhar Jagdishan	Managing Director & Chief Executive Officer
11	Mr. Kaizad Bharucha	Executive Director

HDFC Bank was incorporated in 1994 as a subsidiary of the Housing Development Finance Corporation, with its registered office in Mumbai, Maharashtra, India. Its first corporate office and a full-service branch at Sandoz House, Worli was inaugurated by the then Union Finance Minister, Manmohan Singh. As of 30 June 2022, the bank's distribution network was at 6,378 branches across 3,203 cities. It has installed 430,000 POS terminals and issued 23,570,000 debit cards and 12 million Credit cards in FY 2017. It has a base of 1, 52,511 permanent employees as of 30 June 2022.

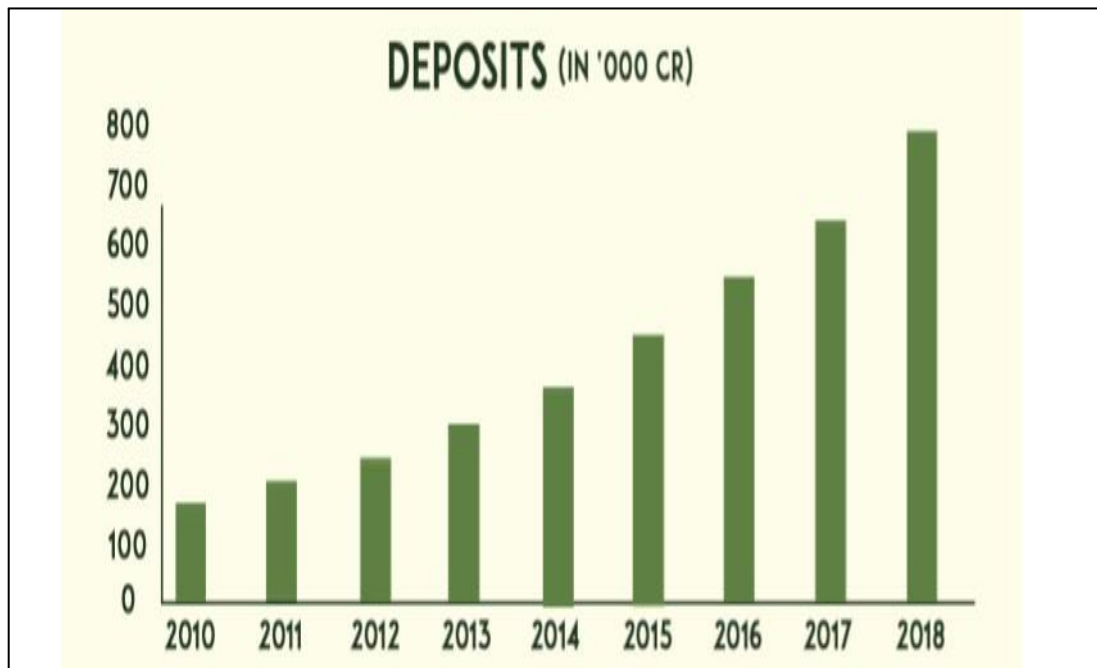
Number of banking branches of HDFC Bank Limited in financial year 2022, by region;



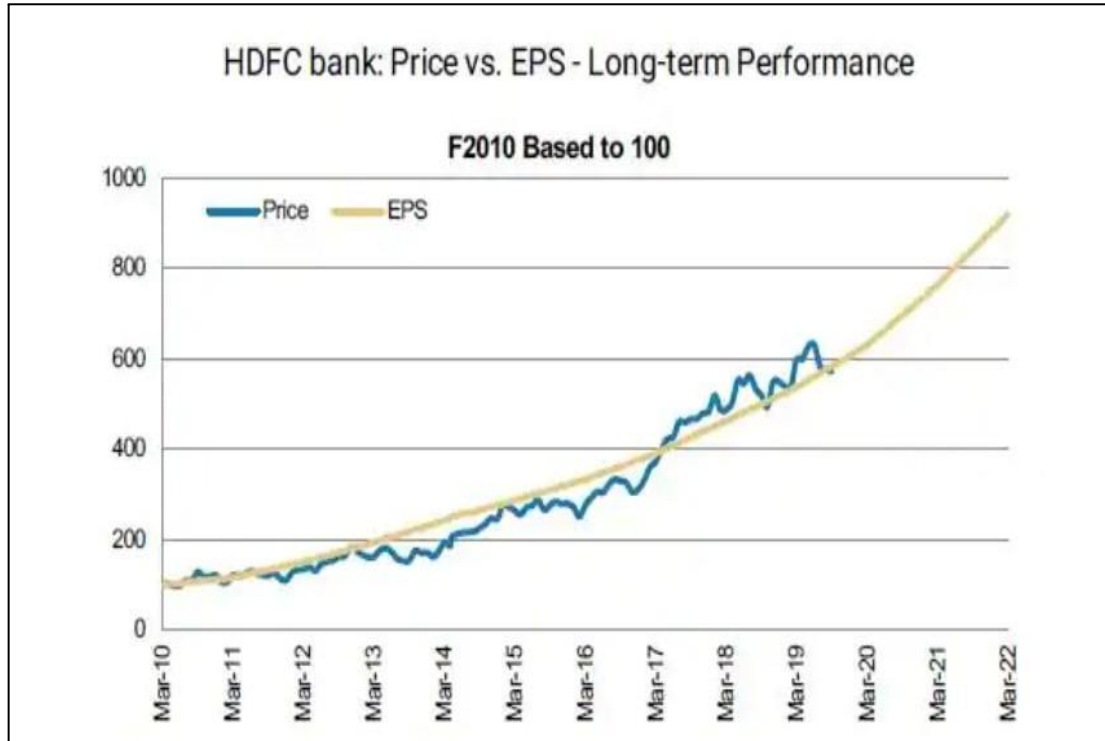
The HDFC Bank Limited had over 6.3 thousand banking branches across India and abroad in financial year 2022. In addition, over 15 thousand business correspondences were managed by common service centers in the country. Semi-urban areas had more branches than metro and rural regions of the country. HDFC Bank is an Indian banking and financial services company headquartered in Mumbai. It was the leading private sector bank in the country based on market capitalization as of June 2021.



To understand HDFC Bank and the premium it commands in the market, it's important to examine the sequence of events that has propelled the bank's growth. More often than not, we get wound up in the pursuit of analyzing financial metrics, metrics that help us understand things as they stand today. But this pursuit is futile if it does not include the myriad events that have shaped those very metrics. Consider for example the Net Interest Margin (NIM), profitability metric that's widely tracked by most analysts. A high NIM is usually considered an indicator of prosperity.



HDFC Bank is one of the brightest among the Indian banking and financial stocks, thanks to its asset quality and sizable market share. After giving a 668 percent return in the 10-year horizon, brokerages think this compounding machine is set to scale new highs. "Historically, HDFC Bank has been a compounding story, with the stock tracking earnings growth trajectory. The stock price and earnings per share (EPS) have both registered 20 percent CAGRs since FY2010," said global financial firm Morgan Stanley.



"There are occasions when the stock price has not tracked earnings over one to two years, and buying the stock during

These periods has historically generated outsized returns. We believe that the stock currently offers such an opportunity," Morgan Stanley added.

- **HDFC BANK vs. PNB - Comparison**

Every bank's working profile and customer reach ability can be measured by just counting the total number of branches in the region, branches in Rural and Urban areas.

Here we have the data of both PNB [Punjab National Bank] and HDFC Bank for branches over the country:

- **PNB Bank**

Branches in Metro area: 1732 ↓ Branches in Urban area: 1998 ↑ Branches in Semi-Urban area: 2445 ↑ Branches in Rural area: 3863 ↑

- **HDFC Bank**

Branches in Metro area: 1843 ↑ Branches in urban area: 1312 ↓ Branches in Semi-Urban area: 2036 ↓ Branches in Rural area: 1147 ↓

- **HDFC Home Loan Vs PNB Home Loan**

Understanding which the best home loan is for you can only be done by comparing home loan schemes of different banks such as HDFC vs. PNB, both of which have attractive interest rates and other features that can make owning your home easier than ever. Since the interest rates, tenure, processing fees, etc., can differ from bank to bank, makes an informed choice about your home loan by a thorough comparison of both.

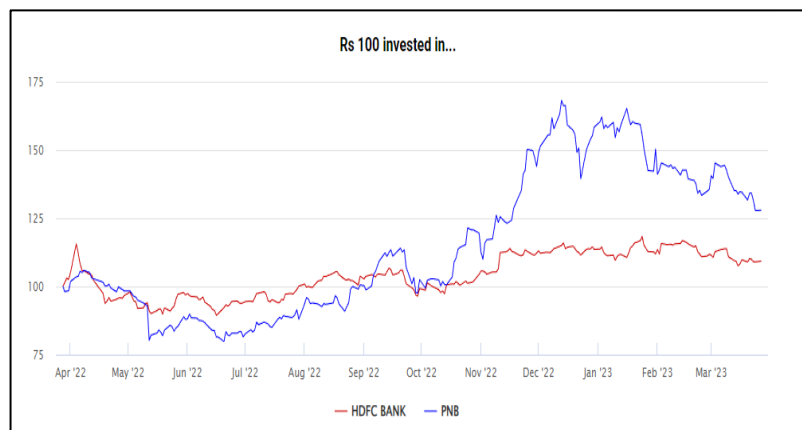
- **Compare HDFC Home Loan Vs Punjab National Bank (PNB) Home Loan**

Compare HDFC vs. PNB home loan interest rates, eligibility factors, and other important fees and charges in the table given below:

Compare	HDFC Home Loan	PNB Home Loan
Interest Rate	8.60% p.a. onwards	8.55% p.a. onwards
Processing Fees	>For salaried professionals and self-employed professionals: Up to 0.50% of loan amount or Rs.3,000, whichever is higher + taxes For self-employed non-professionals: Up to 1.50% of loan amount or Rs.4,500, whichever is higher + taxes	0.50% of the loan amount or maximum of Rs.20,000 (for loan of up to Rs.3 crores)
Popular Home Loan Products	HDFC Home Loan HDFC Plot Loans Rural Housing Loans House Renovation Loan Home Extension Loan Top Up Loans HDFC Reach Loan Pradhan Mantri Awas Yojana Balance Transfer Loan Against Property Commercial Property Loans Commercial Plot Loans HDFC Home Loan for NRI/PIO	PNB Max Saver PNB Pride Housing Loan for Government Employees PNB Housing Loan for Public PNB Gen-Next Housing Finance Scheme for Public Housing Loan for Public - Pradhan Mantri Awas Yojana – Housing For All
Retail Lending Rate	16.05%	14.00%
Loan Amount	Contact the bank	Contact the bank
Loan Tenure	30 years	30 years
Eligibility	Resident Indian Between 21 to 65 years of age	Indian citizens Between 18 and 70 years of age
Prepayment Charges	Nil	Nil
Penal Interest Rates	24% p.a.	Contact the bank

Which Bank Offers the Lowest Home Loan Interest Rate – HDFC Vs PNB?

HDFC and PNB both offer home loans that cater to a wide Cross-section of the public. HDFC home loans have interest rates that start at 6.70% p.a. with an interest concession of 05 basis points for women borrowers. The bank also provides frequent bonanza offers with special interest rates. HDFC also has flexible and variant home loans. The interest rate also varies according to the quantum of home loans applied for. PNB's interest rates are linked to the risk profile of the borrower with CIBIL scores of above 750 getting the lowest interest rates while those less than 700 getting higher interest rates. There are also concessions for women borrowers of up to 0.05%.



Conclusion

In summary, banks play an important role in our daily lives. We must participate in the banking system as responsible citizens. The banking system serves as a vital foundation not only for the financial system but also for the entire economic system of the country. It provides a foundation for markets and businesses.

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